

The Department of Health Services has filed with the Office of Administrative Law new regulations governing the enrollment of providers in the Medi-Cal program. The regulations were declared emergency regulations and are effective upon filing. These emergency regulations further specify the information that must be submitted to the Department by providers who want to participate in the Medi-Cal program so that they can demonstrate they are operating an established place of business.

In addition, the revised *Medi-Cal Physician Application/Agreement* and the *California Medical Assistance Program (Medi-Cal) Provider Agreement* requires the applicant or provider to provide proof of Comprehensive Liability and Professional Liability Insurance coverage.

**Provider Enrollment Regulations**  
**which Govern the Enrollment of Health Care Providers**  
**in the Medi-Cal Program**

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Effective 2/2003

**California Code of Regulations, Title 22, Division 3**

**51000. Agent.**

“Agent” means a person who has been delegated the authority to obligate or act on behalf of an applicant or provider.

NOTE: Authority cited: Sections 10725, 14043.75, and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Section 14043.75, Welfare and Institutions Code; 42, U.S.C., Sections 1320a-3, 1320a-7, 1396a(a)(38), 1396b(i)(2); and 42, Code of Federal Regulations, Part 455.

**51000. 1. Applicant.**

“Applicant” means any individual, partnership, provider group applicant, association, corporation, institution, or entity, and the officers, directors, employees, or agents thereof, that applies to the Department for enrollment as a provider in the Medi-Cal program.

NOTE: Authority cited: Sections 10725, 14043.75, and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Sections 14043 and 14043.1, Welfare and Institutions Code.

**51000.101. Application Package.**

“Application Package” means the application forms for enrollment or continued enrollment, the Disclosure Statements, the Provider Agreements and all their required attachments identified in Sections 51000.30, 51000.35 and 51000.45.

NOTE: Authority cited: Sections 1072, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Sections 14000 and 14005, Welfare and Institutions Code.

**51000.2. Beneficiary.**

“Beneficiary” means any person certified as eligible for services under the Medi-Cal program.

NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Sections 14000 and 14005, Welfare and Institutions Code.

**51000.3. Business Address.**

“Business address” means the place at which the applicant or provider shall render health care services, or provide goods, supplies, or merchandise, to Medi-Cal beneficiaries. The business address shall include the street name and number, room or suite number or letter, city, county, state and 9-digit zip code. A post office box, commercial box, vehicle, or vessel is not a business address.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Section 14043.75, Welfare and Institutions Code.

**51000.4. Business Telephone**

“Business telephone” means the telephone number at the business address of the applicant or provider. A beeper number, answering service, biller or billing service, pager, facsimile machine, answering machine, or a cellular phone shall not be used as the primary business telephone.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999. Reference: Section 14043.75, Welfare and Institutions Code.

**51000.5. Capital.**

“Capital” means the total of all money invested in, and property or services contributed to, an applicant’s or provider’s business enterprise for the purpose of starting, acquiring, equipping, and operating the applicant’s or provider’s business enterprise.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Section 14125.8, Welfare and Institutions Code.

**51000.6. Change of Ownership.**

“Change of Ownership” means:

- (a) For a partnership, the removal, addition, or substitution of a partner.
- (b) For an unincorporated sole proprietorship, the transfer of title and property to another person.
- (c) For a corporation, the merger of the applicant’s or provider’s corporation into another corporation, or the consolidation of two or more corporations, resulting in the creation of a new corporation. The transfer of corporate stock or the merger of another corporation into the applicant’s or provider’s corporation does not constitute a "change of ownership" but may constitute a "change of ownership or control interest," as defined in Section 51000.15, and may require disclosure under Section 51000.35, or a Supplemental Application under Section 51000.40.
- (d) For a lease, the lease of all or part of an applicant’s or provider’s facility constitutes a change of ownership of the leased portion.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Section 14043.2, Welfare and Institutions Code; 42, U.S.C., Sections 1320a-3, 1320a-7, 1396a(a)(38), 1396b(i)(2); and 42, Code of Federal Regulations, Part 455.

**51000.7. Enrollment.**

“Enrollment” means the process employed by the Department to approve applicants to participate, or providers to continue to participate, in the Medi-Cal program.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code.

**51000.8. Group Provider Number.**

“Group Provider Number” means the unique identification number assigned to a provider group applicant or reassigned to a provider group by the Department of Health Services to obtain reimbursement from the Medi-Cal program.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Section 14043.45, Welfare and Institutions Code.

#### **51000.9. Indirect Ownership Interest.**

(a) “Indirect Ownership Interest” means an ownership interest in any entity that has an ownership interest in the applicant or provider. This term includes an ownership interest in any entity that has an indirect ownership interest in the applicant or provider.

(b) The amount of indirect ownership interest is determined by multiplying the percentages of ownership in each entity. For example, if A owns 10 percent of the stock in a corporation which owns 80 percent of the stock of the applicant or provider, A’s interest equates to an 8 percent indirect ownership interest in the applicant or provider and shall be reported pursuant to Section 51000.35. Conversely, if B owns 80 percent of the stock of a corporation which owns 5 percent of the stock of the applicant or provider, B’s interest equates to a 4 percent indirect ownership interest in the applicant or provider and need not be reported.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Section 14043.2, Welfare and Institutions Code; 42, U.S.C., Sections 1320a-3, 1320a-7, 1396a(a)(38), 1396b(i)(2); and 42, Code of Federal Regulations, Part 455.

#### **51000.10. Line of Credit.**

“Line of Credit” means a right granted by an applicant or provider to any other person or entity to defer payment to applicant or provider for the purchase of services, goods, supplies, or merchandise, from applicant or provider up to a predetermined number or amount of services, goods, supplies, or merchandise, or a predetermined amount of money.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Section 14125.8, Welfare and Institutions Code.

#### **51000.11. Mailing Address.**

“Mailing address” means the address at which the applicant or provider wishes to receive general program correspondence, such as bulletin articles and Provider Manual updates. The mailing address includes the post office box number, or the street number and name, room or suite number or letter, and the city, state and 9-digit zip code.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code.

#### **51000.12. Managing Employee.**

“Managing employee” means a general manager, business manager, administrator, director, or other individual who exercises operational or managerial control over, or who directly or indirectly conducts the day-to-day operation of an applicant or provider.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Section 14043.2, Welfare and Institutions Code; 42, U.S.C., Sections 1320a-3, 1320a-7, 1396a(a)(38), 1396b(i)(2); and 42, Code of Federal Regulations, Part 455.

**51000.13. Ownership Interest.**

“Ownership interest” means the possession of equity in the capital, the stock, or the profits of the applicant or provider.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Section 14043.2, Welfare and Institutions Code; 42, U.S.C., Sections 1320a-3, 1320a-7, 1396a(a)(38), 1396b(i)(2); and 42, Code of Federal Regulations, Part 455.

**51000.14. Pay To Address.**

“Pay to address” means the address at which the applicant or provider wishes to receive payment for the provision of healthcare services, equipment or supplies to Medi-Cal beneficiaries. The pay to address includes the post office box number, or the street number and name, room or suite number or letter, the city, state and 9-digit zip code.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code.

**51000.15. Person with an Ownership or Control Interest.**

(a) “Person with an ownership or control interest” means a person or corporation that:

(1) Has an ownership interest totaling 5 percent or more in an applicant or provider.

(2) Has an indirect ownership interest equal to 5 percent or more in an applicant or provider.

(3) Has a combination of direct and indirect ownership interests equal to 5 percent or more in an applicant or provider.

(4) Owns an interest of 5 percent or more in any mortgage, deed of trust, note, or other obligation secured by the applicant or provider if that interest equals at least 5 percent of the value of the property or assets of the applicant or provider.

(5) Is an officer or director of an applicant or provider that is organized as a corporation.

(6) Is a partner in an applicant or provider that is organized as a partnership.

(b) To determine percentage of ownership, mortgage, deed of trust, note or other obligation, the percentage of interest owned in the obligation is multiplied by the percentage of the applicant or provider’s assets used to secure the obligation. For example, if A owns 10 percent of a note secured by 60 percent of the provider’s assets, A’s interest in the provider’s assets equates to 6 percent and shall be reported pursuant to Section 51000.35(a). Conversely, if B owns 40 percent of a note secured by 10 percent of the provider’s assets, B’s interest in the provider’s assets equates to 4 percent and need not be reported.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Section 14043.2, Welfare and Institutions Code; 42, U.S.C., Sections 1320a-3, 1320a-7, 1396a(a)(38), 1396b(i)(2); and 42, Code of Federal Regulations, Part 455.

**51000.16. Provider Group.**

“Provider Group” means more than one rendering provider doing business together under a group provider number assigned by the Department of Health Services.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code.

**51000.17. Provider Group Applicant.**

“Provider Group Applicant” means more than one individual rendering provider applying to be enrolled as a provider group.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Sections 14043 and 14043.1, Welfare and Institutions Code.

**51000.18. Provider Identification Number or PIN.**

“Provider Identification Number or PIN” means the unique identification number assigned to a provider to:

- (a) Submit electronic claims for reimbursement.
- (b) Verify a beneficiary’s eligibility.
- (c) Determine whether the beneficiary has met his/her share of cost, if applicable.
- (d) Complete a Medi-Service reservation or reversal.
- (e) Gain access to the provider telecommunications network for check write or claim information, payment history, or to verify procedure codes and rates of reimbursement.

NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Sections 14040 and 14124.5, Welfare and Institutions Code.

**51000.19. Provider.**

“Provider” shall have the same meaning as in Section 51051.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Sections 14043 and 14043.1, Welfare and Institutions Code.

**51000.20. Provider Number.**

“Provider Number” means the unique identification number assigned to an applicant or reassigned to a provider by the Department of Health Services to obtain reimbursement from the Medi-Cal program.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Section 14043.45, Welfare and Institutions Code.

**51000.21. Rendering Provider.**

“Rendering provider” means an individual provider who renders healthcare services, or provides goods, supplies, or merchandise, as a member of a provider group and uses the group provider number to bill the Medi-Cal program.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code.

**51000.22. Rendering Provider Number.**

“Rendering provider number” means the unique identification number assigned to a rendering provider to identify the rendering provider on claims submitted by a provider group under a group provider number.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions

Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Section 14043.45, Welfare and Institutions Code.

**51000.23. Significant Business Transaction.**

“Significant business transaction” means any business transaction or series of transactions that involve health care services, goods, supplies, or merchandise related to the provision of services to Medi-Cal beneficiaries that, during any one fiscal year, exceed the lesser of \$25,000 or 5 percent of an applicant’s or provider’s total operating expenses.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Section 14043.2, Welfare and Institutions Code; 42, U.S.C., Sections 1320a-3, 1320a-7, 1396a(a)(38), 1396b(i)(2); and 42, Code of Federal Regulations, Part 455.

**51000.24. Subcontractor.**

“Subcontractor” means an individual, agency, or organization:

(a) To which an applicant or provider has contracted or delegated some of its management functions or responsibilities of providing healthcare services, equipment or supplies to its patients.

(b) With whom an applicant or provider has entered into a contract, agreement, purchase order, lease, or leases of real property, to obtain space, supplies, equipment, or services provided under the Medi-Cal Program.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Section 14043.2, Welfare and Institutions Code; 42, U.S.C., Sections 1320a-3, 1320a-7, 1396a(a)(38), 1396b(i)(2); and 42, Code of Federal Regulations, Part 455.

**51000.25. Supplier.**

“Supplier” means any manufacturer, principal labeler, wholesaler and any other primary supplier from which an applicant or provider purchases services, goods, supplies, or merchandise, used in carrying out its responsibilities under Medi-Cal.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Section 14043.2, Welfare and Institutions Code; 42, U.S.C., Sections 1320a-3, 1320a-7, 1396a(a)(38), 1396b(i)(2); and 42, Code of Federal Regulations, Part 455.

**51000.26. Wholly Owned Supplier.**

“Wholly owned supplier” means a supplier whose total ownership interest is held by an applicant or provider or by a person, persons, or other entity with an ownership or control interest in an applicant or provider.

NOTE: Authority cited: Sections 10725, 14043.75, and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Section 14043.2, Welfare and Institutions Code; 42, U.S.C., Sections 1320a-3, 1320a-7, 1396a(a)(38), 1396b(i)(2); and 42, Code of Federal Regulations, Part 455.

**51000.30. Application for Enrollment or Continued Enrollment as a Medi-Cal Provider.**

(a) As a condition for enrollment, or continued enrollment, as a provider in the Medi-Cal program when such is required in writing by the Department pursuant to Section 51000.55, an

applicant or provider shall meet the participation standards specified in Article 3, (commencing with Section 51200) and either:

- (1) Be certified by the Department to participate in the Medi-Cal program as a:
    - (A) Clinic licensed pursuant to Section 1204 of the Health and Safety Code; or
    - (B) Health facility licensed under Chapter 2 (commencing with Section 1250) of the Health and Safety Code; or
    - (C) Clinic exempt from licensure under Section 1206 of the Health and Safety Code; or
  - (2) Submit to the Department a completed application package on forms specified in subsection (b), below, Section 51000.35, and Section 51000.45. These forms shall:
    - (A) Contain complete and accurate information.
    - (B) Be signed under penalty of perjury by an individual who is the sole proprietor, partner, corporate officer, or an official representative of a governmental entity or non-profit organization, who has the authority to legally bind the applicant seeking enrollment, or provider seeking continued enrollment, as a Medi-Cal provider.
    - (C) Contain an original signature in ink.
    - (D) Be notarized by a Notary Public, unless the applicant or provider is licensed pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code, the Osteopathic Initiative Act, the Chiropractic Initiative Act, or is a lawfully organized group consisting of persons who are so licensed. The Certificate of Acknowledgement signed by the Notary Public shall be in the form specified in Section 1189 of the Civil Code.
- (b) The applicant or provider, when required pursuant to subsection (a), shall complete, as applicable:
- (1) The "Medi-Cal Provider Group Application," DHS 6203 (Rev. 12/00), incorporated by reference herein; or
  - (2) The "Medi-Cal Provider Application," DHS 6204 (Rev. 12/00), incorporated by reference herein; or
  - (3) One of the applications from the following list, each incorporated by reference herein, which is applicable to their provider type:
    - (A) "Medi-Cal Durable Medical Equipment Provider Application," DHS 6201 (Rev. 12/00).
    - (B) "Medi-Cal Orthotics and Prosthetics Provider Application," DHS 6202 (Rev. 12/00).
    - (C) "Medi-Cal Pharmacy Provider Application," DHS 6205 (Rev. 12/00).
    - (D) "Medi-Cal Medical Transportation Provider Application," DHS 6206 (Rev. 12/00).
    - (E) "Medi-Cal Physician Application/Agreement," DHS 6210 (Rev. 09/02).
  - (4) One of the applications specified in (b)(2), (b)(3)(B), or (b)(3)(E) for each individual rendering provider of a provider group applicant or provider group.
- (c) The applicant or provider, when required pursuant to subsection (a), shall indicate on the application:
- (1) Whether the applicant or provider is requesting enrollment or continued enrollment in the Medi-Cal program, and if continued enrollment is requested, the provider's current Medi-Cal provider number.
  - (2) Whether the applicant or provider is a governmental entity or is a business that is a partnership, unincorporated sole proprietorship, corporation or limited liability company. If the applicant or provider is a partnership, a copy of the fully executed partnership agreement shall be submitted with the application.
  - (3) The legal name under which the applicant or provider is applying for enrollment or continued enrollment. The legal name of the individual, partnership, provider group, association, corporation, institution, or entity, shall be the name currently on file with the Internal Revenue

Service (IRS). If the applicant or provider is using a fictitious name, a copy of the Fictitious Business Name Statement, or Fictitious Name Permit, shall be submitted with the application.

(4) The business address of the applicant or provider.

(5) The business telephone number of the applicant or provider.

(6) The pay to address, if different from the business address specified on the application.

(7) The mailing address, if different from the business or pay to addresses.

(8) Date of birth and gender of the applicant or provider, if the applicant or provider is an individual.

(9) The driver's license number or state-issued identification card number, and the state of issuance, of the applicant or provider, if the applicant or provider is an individual. A copy of the applicant's or provider's driver's license, or state-issued identification card, shall be submitted with the application. The driver's license or state-issued identification card shall be issued within the 50 United States or the District of Columbia.

(10) The license or certificate number, or other approval to provide health care services, of the applicant or provider, including those of the rendering provider(s) in a provider group, and the effective and expiration dates. A copy of the license, certificate, or other approval, shall be submitted with the application.

(11) The Medicare billing number, if the applicant or provider is enrolled in the Medicare program.

(12) The Individual Taxpayer Identification Number or the Federal Employer Tax Identification Number issued by the IRS under the name of the applicant or provider, or the social security number issued under the name of the applicant or provider. A copy of the IRS Form 941, Form 8109-C, Form 147-C, Form SS-4 (Confirmation Notification), or Form 2363 shall be submitted with the application.

(13) The provider type of the applicant or provider and, if the applicant or provider is a physician, a listing of his/her specialties, and the location, current status, and past history of all hospital privileges shall be included.

(14) The names, social security numbers (optional), and dates of birth of all rendering providers, if the applicant is a provider group applicant.

(15) The applicant's or provider's Seller's Permit number, if applicable. A copy of the Seller's Permit shall be submitted with the application.

(16) If the applicant intends to provide or the provider currently provides durable medical equipment as defined in Section 51160, or is a medical device retailer as defined in Section 51251, or claims reimbursement for the items listed in Sections 51521, 51526, or the items marked with an asterisk in Section 51515, the applicant or provider shall submit the "Medi-Cal Durable Medical Equipment Provider Application," DHS 6201 (Rev. 12/00), with the information specified in (A) through (D) below. This requirement does not apply to a provider who is authorized to submit claims for reimbursement for durable medical equipment, incontinence medical supplies, or prosthetic and orthotic appliances based on enrollment in the Medi-Cal program as a provider type other than a Durable Medical Equipment and Medical Supply Provider.

(A) A statement indicating whether the applicant or provider has a retail business open and available to the general public that is readily identifiable as a place in which the applicant or provider sells, rents or leases durable medical equipment or medical supply items either in stock on the premises, or in a warehouse under the applicant's or provider's direct control, and has an established place of business, as specified in Section 51200.01.

(B) The days and hours of operation of the applicant's or provider's business.

(C) The address of any warehouse(s) under the direct control of the applicant or provider in which the applicant or provider engages in sales, leasing, or rental of items, and if applicable, the name(s), address (es), and telephone number(s) of the person(s) who hold an ownership interest in the warehouse(s).

(D) A statement of the composition and percentage of the applicant's or provider's current business activities including whether the applicant intends to provide or provider currently provides:

1. Beds.
2. Orthotic and/or prosthetic appliances.
3. Incontinence medical supplies.
4. Ostomy supplies.
5. Infusion equipment and supplies.
6. Oxygen equipment and supplies.
7. Urinary catheters, bags and related supplies.
8. Wheelchairs.

(17) If the applicant or provider is a pharmacy as defined in Section 51106 and provides pharmaceutical services as defined in Section 51107, the applicant or provider shall submit the "Medi-Cal Pharmacy Provider Application," DHS 6205 (Rev. 12/00), with the following information:

(A) A statement indicating whether the applicant or provider has an established place of business that meets the criteria specified in Section 51200.01. If the applicant or provider does not have a business open and available to the general public, an explanation shall be provided.

(B) The National Council for Prescription Drug Programs (NCPDP) number.

(C) The Drug Enforcement Agency (DEA) registration certificate, and the effective and expiration dates. A copy of the DEA registration shall be submitted with the application.

(D) The California State Board of Pharmacy (CSBP) permit number and the effective date. A copy of the CSBP permit shall be submitted with the application.

(E) The name of the pharmacist-in-charge at the business address, as required by Section 4113 of the Business and Profession Code.

(F) The driver's license number or state-issued identification card, and the state of issuance, of the pharmacist-in-charge. A copy of the driver's license, or state-issued identification card of the pharmacist-in-charge shall be submitted with the application.

(G) The social security number (optional) of the pharmacist-in-charge.

(H) The information specified in subsections (c)(16)(B) through (D), above, and the percentage of the applicant's or provider's total business activities represented by the sale of prescription drugs, as defined in Section 14043.34 of the Welfare and Institutions Code.

(18) If the applicant intends to provide or the provider currently provides medical transportation services as defined in Section 51151, and claims reimbursement for services as a provider of medical transportation as defined in Section 51152, or provides nonemergency medical transportation as defined in Section 51151.7, the applicant or provider shall submit the "Medi-Cal Medical Transportation Provider Application," DHS 6206 (Rev. 12/00), with the following information:

(A) For emergency transportation by ambulance, the California Highway Patrol (CHP) certificate number and the date of issuance. A copy of the CHP certificate shall be submitted with the application.

(B) For nonemergency medical transportation, as defined in Section 51151.7, by litter van or wheelchair van, the vehicle identification number (VIN), make and model, year, and license

plate number of each vehicle. Proof of full coverage commercial insurance for each vehicle, indicating the VIN for each covered vehicle, shall be submitted.

(C) For air ambulance transportation, the Federal Aviation Administration (FAA) certificate number. A copy of the FAA certificate and a statement on company letterhead of where the aircraft is hangared shall be submitted with the application.

(D) For each driver of nonemergency medical ground transportation vehicles and for each pilot of aircrafts employed by the applicant or provider:

1. Full legal name.
2. California driver's license number and the expiration date. A copy of the California driver's license shall be submitted with the application.
3. Driving history printout issued by the Department of Motor Vehicles (DMV). A copy of the driving history printout shall be submitted with the application.
4. Medical examination report, DL-51, issued by the DMV and the effective and expiration dates. A copy of the DL-51 shall be submitted with the application.
5. A copy of the certificates for first aid and CPR specified in Sections 51231.1 and 51231.2 shall be submitted with the application.
6. A copy of the standard pre-employment drug and alcohol lab test results shall be submitted with the application.
7. Pilot's license number of the pilot. A copy of the license shall be submitted with the application.

(E) Days and hours of business operation.

(F) Geographic area within which the city or county has issued a business license or permit to provide medical transportation services. A copy of the license or permit shall be submitted with the application.

(G) The documentation required by Sections 51231.1 and 51231.2.

(19) If the applicant intends to provide or the provider currently provides lab services as defined in Section 51137, 51137.1, or 51137.2, a Clinical Laboratory Improvement Amendment (CLIA) certificate appropriate for the level of testing performed and a state license or registration shall be submitted. If the applicant or provider performs a test included within the 80,000 series of the Physician's Current Procedural Terminology (CPT) codes, a CLIA certificate appropriate for the level of testing performed is also required if the applicant or provider performs or submits claims for any of the following CPT codes: 78110, 78111, 78120, 78121, 78122, 78130, 78160, 78191, 78270, 78271 and 78272. A copy of the CLIA certificate and the state license or registration shall be submitted with the application.

(20) For the individual signing the application, who shall have the authority to legally bind the applicant or provider seeking enrollment or continued enrollment, the following shall be provided:

- (A) The full legal name and title.
- (B) Date of birth.
- (C) Gender.
- (D) Social security number (optional).
- (E) The driver's license number or state-issued identification card number, and state of issuance. The driver's license or state-issued identification card shall be issued within the 50 United States or the District of Columbia. A copy of the driver's license, or state-issued identification card, shall be submitted with the application.

(d) The applicant or provider shall comply with all state and local laws and ordinances regarding business licensing and operations, and shall obtain all state and local licenses and

permits necessary to provide the services, goods, supplies, or merchandise; being provided or services being rendered by the applicant or provider. A copy of each license and permit shall be submitted with the application. Failure to obtain and maintain all necessary licenses and permits, including but not limited to, a business license, a fictitious name statement, a seller's permit, or a pharmacy or medical device retailer's permit, shall result in the disapproval of an applicant's application, or the temporary suspension and deactivation of a provider's Medi-Cal provider number.

(e) The applicant or provider shall obtain and show evidence of maintaining Worker's Compensation insurance as required by state law, and Comprehensive Liability insurance, and for any individual licensed or certified pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code, the Osteopathic Initiative Act, or the Chiropractic Initiative Act, Professional Liability insurance coverage.

(f) The applicant or provider shall submit a separate application package for enrollment or continued enrollment as a provider for each business address, and within 35 days of any of the following circumstances:

(1) When a new pharmacy permit is required pursuant to Division 2, Chapter 9 (commencing with Section 4000), of the Business and Professions Code, if the applicant or provider is a pharmacy;

(2) When there is a change in the business address, if the provider provides incontinence medical supplies;

(3) When there is a change of 50 percent or more in the persons with an ownership or control interest, as defined in Section 51000.15, of the applicant or provider.

(g) The provider group applicant or provider group shall submit a separate group application package for enrollment or continued enrollment as a provider for each business address or an occurrence of any of the following:

(1) For each provider type within a provider group;

(2) Within 35 days when there is a change of 50 percent or more in the persons with an ownership or control interest, as defined in Section 51000.15, of the provider group applicant or provider group.

(h) Each rendering provider shall submit a separate application package when:

(1) The provider group applicant submits the Medi-Cal Provider Group Application (DHS 6203), pursuant to subsections (b) and (g);

(2) Requesting that he/she be included as a rendering provider for an existing provider group. The application for the rendering provider shall contain information specific to the rendering provider and indicate the provider number of the provider group;

(3) Rendering providers within an existing group shall not be required to submit additional application packages if;

(A) Services provided at an additional business address will be rendered by those providers, provided those providers have previously submitted the applicable application packages to the Department; and

(B) Information on the application initially submitted to the Department has not changed, or the change has been reported as required by Section 51000.40, by those rendering providers currently enrolled in the Medi-Cal program.

(i) Failure to submit a timely application pursuant to subsection (f) or (g) above shall make the provider subject to temporary suspension from the Medi-Cal program, which shall include temporary deactivation of all provider numbers used by the provider to obtain reimbursement from the Medi-Cal program.

NOTE: Authority cited: Sections 10725, 14043.2, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Sections 14043.2, 14043.25 and 14043.75, Welfare and Institutions Code; 26 U.S.C., Sections 6041 and 6109; and 26, Code of Federal Regulations, Section 1.6041-2.

### **51000.35. Disclosure Requirements.**

(a) The applicant or provider shall disclose all the information required by 42, Code of Federal Regulations, Sections 455.104, 455.105 and 455.106, on the "Medi-Cal Provider Disclosure Statement," DHS 6207, (Rev. 12/00), incorporated by reference herein, and submit the disclosure statement with the application required by Sections 51000.30 and 51000.40. The disclosure statement shall include all of the following:

(1) The name, address, title and percentage of ownership or control interest of each person with an ownership or control interest, as defined in Section 51000.15, in the applicant or provider, or in any subcontractor in which the applicant or provider has direct or indirect ownership of 5 percent or more.

(2) Whether any of the persons named in subsection (a)(1) above, is related to another such as spouse, parent, child or sibling.

(3) The name and address of any other health care provider in which a person with an ownership or control interest in the applicant or provider also has an ownership or control interest. This requirement applies to the extent that the applicant or provider can obtain this information by requesting it in writing from the health care provider. The applicant or provider shall:

(A) Keep copies of all these requests and the response to them.

(B) Make them available to the Department upon request.

(C) Advise the Department when there is no response to a request.

(4) The name and address of each person with an ownership or control interest in any subcontractor with whom the applicant or provider has had business transactions involving health care services, goods, supplies or merchandise related to the provision of services to a Medi-Cal beneficiary that totaling more than \$25,000 during the 12-month period immediately preceding the date of the application, or immediately preceding the date on the Department's request for such information.

(5) Any significant business transactions between the applicant or provider and any wholly owned supplier, or between the applicant or provider and any subcontractor, during the 5-year period ending on the date of the application, or ending on the date of the written request by the Department for such information.

(6) The identity of any person who has ownership or control interest in the applicant or provider, or is an agent or managing employee of the applicant or provider, who has within the previous five years of the date of the application package:

(A) Been convicted of any felony or misdemeanor involving fraud or abuse in any government program; or

(B) Been found liable in any civil proceeding involving fraud or abuse in any government program; or

(C) Entered into a settlement in lieu of conviction involving fraud or abuse in any government program.

(b) The applicant or provider shall also state on the "Medi-Cal Provider Disclosure Statement":

(1) Whether the applicant or provider has ever participated in the Medi-Cal program as a provider and, if applicable, the names under which the applicant or provider participated, and all provider numbers previously assigned to the applicant or provider.

(2) Whether the applicant or provider has ever participated in other states' Medicaid programs as a provider and, if applicable, the name of the state(s), the name(s) under which the applicant or provider participated, and the provider number(s).

(3) Whether the applicant or provider has ever been suspended from a Medicare or Medicaid program and, if applicable;

(A) The provider number(s), including rendering provider number(s), and group provider number(s), assigned to the applicant or provider that was/were suspended.

(B) The effective date(s) of the suspension(s).

(C) If the applicant or provider was suspended and subsequently reinstated, the date(s) of the reinstatement(s) and a copy of the letter(s) of reinstatement shall be included with the application.

(4) Whether the license, certificate, or other approval to provide health care, of the applicant or provider has ever been suspended or revoked, or whether the applicant or provider has otherwise lost that license, certificate, or approval, or has surrendered that license, certificate or approval while a disciplinary hearing on that license, certificate or approval was pending. And, if the applicant is a pharmacy, whether the license of the pharmacist-in-charge has ever been suspended or revoked, or whether the pharmacist-in charge has otherwise lost his/her license, or surrendered his/her license while a disciplinary hearing on his/her license was pending. If applicable, the applicant or provider shall indicate the state(s) in which the action(s) against his/her license occurred, or occurred against the license of the pharmacist-in-charge, and the effective date(s) of the licensing authority's order(s). The applicant or provider shall provide written confirmation from the licensing authority that his/her professional privileges, or those of those of the pharmacist-in-charge, have been restored.

(5) Whether the license, certificate or other approval to provide health care of the applicant or provider has been disciplined by any licensing authority. And, if the applicant or provider is a pharmacy, whether the Board of Pharmacy license of the pharmacist-in-charge has ever been disciplined by any licensing authority. If applicable, the applicant or provider shall indicate what action(s) was/were taken against his/her license, or what action(s) was/were taken against the license of the pharmacist-in-charge, where the action(s) against his/her license was/were taken, or was/were taken against the license of the pharmacist-in-charge, and the effective date(s) of the licensing authority's decision(s).

(6) The driver's license number for each person who has a direct or indirect ownership interest totaling 5 percent or more in the applicant or provider. A copy of the driver's license of such persons shall be submitted with the application. If such person does not have a driver's license, a copy of his/her state-issued identification card shall be submitted.

(7) If the applicant intends to sell, or the provider currently sells incontinence medical supplies:

(A) A statement of all sources of capital of the applicant or provider.

(B) The names and addresses of all manufacturers, suppliers and other providers with whom the applicant or provider has any type of business relationship relative to the provision of services, goods, supplies, or merchandise, to Medi-Cal beneficiaries.

(C) The names and addresses of all persons and entities to whom the applicant or provider has extended a line of credit of \$5,000 or more.

(c) Each applicant or provider shall submit a new disclosure statement to the Department within 35 days of any change to the information previously submitted to the Department on any disclosure statement as required by this Article. Changes in the ownership or control interest of 50 percent or more shall be reported pursuant to Section 51000.30 and changes of less than 50 percent shall be reported pursuant to Section 51000.40.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Sections 14043.2, 14043.36 and 14125.8, Welfare and Institutions Code; 42, U.S.C., Sections 1320a-3, 1320a-7, 1396a(a)(38), 1396b(i)(2); and 42, Code of Federal Regulations, Part 455.

#### **51000.40. Medi-Cal Supplemental Application Requirements.**

A provider, including a provider group, shall complete the "Medi-Cal Supplemental Application," DHS 6209, (Rev. 12/00), incorporated by reference herein, to inform the Department within 35 days of any change in information previously submitted to the Department, as required pursuant to Section 51000.30(b), to add or change the following information, or to request the following actions:

(a) Change of business address except for providers of incontinence medical supplies and for a pharmacy.

(b) Business telephone number.

(c) Pharmacist-in-charge, if the provider is a pharmacy.

(d) Medicare billing number.

(e) Business activities, if the provider currently provides durable medical equipment and/or incontinence medical supplies and:

(1) The change requires the issuance of a new license, permit, or certificate; or

(2) The provider is adding or deleting incontinence medical supplies.

(f) Tax identification number.

(g) Name under which the provider or provider group is doing business (DBA).

(h) CLIA number.

(i) Deactivation of a provider number or a group provider number.

(j) Re-issuance of a Provider Identification Number (PIN).

(k) For providers of medical transportation services:

(1) Vehicle or aircraft information.

(2) Driver or pilot information, or the addition of information on a new driver or pilot.

(3) The days and/or hours of operation of the applicant's or provider's business.

(4) The geographic area(s) served.

(l) Deletion of a rendering provider from a provider group.

(m) A change of less than 50 percent in the ownership or control interest, as defined in Section 51000.15, of the provider, or provider group.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; 26 U.S.C., Sections 6041 and 6109; and 26, Code of Federal Regulations, Section 1.6041-2.

#### **51000.45. Provider Agreement.**

An applicant or provider shall sign and submit one of the following provider agreements, as applicable:

(a) “Medi-Cal Provider Agreement,” DHS 6208 (Rev.09/02), incorporated by reference herein.

(b) “Medi-Cal Physician Application/Agreement,” DHS 6210 (Rev.09/02).

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999. Reference: Section 14043.2, Welfare and Institutions Code; 42, U.S.C., Sections 1320a-3, 1320a-7, 1396a(a)(38), 1396b(i)(2); and 42, Code of Federal Regulations, Parts 431 and 455.

#### **51000.50. Application Review Criteria and Notice of Department Action.**

(a) The Department shall review the applicant’s or provider’s completed application package for enrollment, or continued enrollment, in the Medi-Cal program and base its approval or denial of the application package on the following criteria:

(1) The application package shall be signed, and notarized if required by Section 51000.30(a)(2).

(2) The information specified in Section 51000.30, 51000.35, and 51000.45, and all required submittals and attachments to the application package have been provided.

(3) The applicant or provider has a valid license, certificate, or other approval to provide health care services, goods, supplies, or merchandise.

(4) The applicant or provider meets all applicable standards for participation in the Medi-Cal program specified in Chapter 7 (commencing with section 14000) and Chapter 8 (commencing with 14200) of Part 3 of Division 9 of the Welfare and Institutions Code, including but not limited to the provision of only medically necessary services.

(5) The applicant or provider has obtained all state and local licenses, permits, or authorizations necessary to operate a business and to provide the services being rendered, or the equipment or supplies being provided.

(6) All fines, and all debts due and owing (including overpayments) to any Federal, State, or local government that relate to Medicare, Medicaid (including Medi-Cal) and all other Federal and State health care programs, have been paid, or satisfactory arrangements have been made to fulfill obligations.

(7) No person with an ownership or control interest in the applicant’s or provider’s business, or person who is an agent or managing employee of an applicant or provider, has been convicted, found liable for, or entered into a settlement in lieu of conviction, for fraud and/or abuse in any government program within ten years of the date of the application package.

(8) No person with an ownership or control interest in the applicant’s or provider’s business, or person who is an agent or managing employee of an applicant or provider is under investigation for fraud and/or abuse in any government program at the time of the application for enrollment or continued enrollment.

(9) The applicant or provider has satisfactorily corrected any discrepancies in the application package within the time limit specified in Section 51000.50 (c)(3)(A).

(10) The applicant or provider has satisfactorily corrected any discrepancies identified in a background check, onsite inspection or unannounced visit within the time limit specified in Section 51000.50 (d)(2).

(11) The applicant or provider has satisfactorily demonstrated to the Department that he or she has an established place of business appropriate and adequate for the services, goods, supplies or merchandise, claimed or intended to be claimed to the Medi-Cal program, as relevant to his or her business and/or scope of practice as specified in Section 51200.01.

(b) Within 30 days of receipt of an application package, the Department shall provide written notice to inform the applicant or provider that either:

(1) A moratorium has been imposed pursuant to Welfare and Institutions Code, Section 14043.55 or 14125.8, on the enrollment of providers in the specific provider of service category for which the applicant or provider has applied. If a moratorium has been imposed, the Department shall return the application package to the applicant or provider with the notice.

(2) The Department has received the applicant's or provider's application package and shall evaluate the application package based upon the criteria contained in this Chapter and its governing statutes.

(c) Within 120 days of receipt by the Department of an application package, the Department shall give written notice to the applicant or provider of one of the following:

(1) The application package is complete and accepted for processing; or

(2) The application package is denied based on the criteria specified in subsection (a) or based on the applicant's failure to comply with the requirements specified in this Chapter or its governing statutes; or

(3) The application package is incomplete, describing which information is required, or which attachments are outstanding and/or inadequate. The application package shall be returned at the time of this notice to the applicant, who may re-submit the application package. When an application package is re-submitted, it may include the materials previously submitted along with the materials necessary to correct the outstanding and/or inadequate information, provided the materials are current and valid at the time of re-submission.

(A) If the application package is received by the Department within 35 days of the date of the notice, the Department shall continue to process the application package and shall, within 60 days of the receipt of the re-submitted application package, send a notice indicating one of the following actions:

1. The application package is complete and accepted for processing; or

2. The application package is denied based on the criteria specified in subsection (a) or based on the applicant's failure to comply with the requirements specified in this Chapter or its governing statutes, or

3. The Department is taking one or more of the actions authorized pursuant to Welfare and Institutions Code, Sections 14043.37 or 14043.7.

(B) If an application package for continued enrollment is not received by the Department within 35 days of the date of the notice of incomplete application, the provider shall be subject to temporary suspension and/or immediate deactivation of all provider numbers, pursuant to Welfare and Institutions Code, Section 14043.2.

(C) If a re-submitted application package for enrollment is received by the Department after 35 days, it shall be treated as a new application package.

(d) If a background check is conducted pursuant to Welfare and Institutions Code, Section 14043.37, or an unannounced visit is conducted pursuant to Welfare and Institutions Code, Section 14043.7, prior to enrollment, or continued enrollment, the Department shall provide written notice to the applicant or provider of the following:

(1) The application package is complete and accepted for processing; or

(2) Discrepancies were found with the information provided by the applicant or provider on the application package that require remediation, and the applicant or provider shall have 35 days from the date of the notice to remediate the discrepancies and provide documentation to the Department that discrepancies have been remedied. If no response is received or the discrepancies are not remediated within the 35 days, the Department shall provide written notice

that the application package is denied based on the criteria specified in subsection (a), or based on the applicant's or provider's failure to comply with the requirements specified in this Chapter, or its governing statutes; or

(3) A background check or visit was done and the application is denied based on the criteria specified in subsection (a), or based on the applicant's or provider's failure to comply with the requirements specified in this Chapter or its governing statutes.

(e) Within 60 days of the notice that the application package is complete and accepted for processing pursuant to (c)(1), or within 60 days of the notice of completion pursuant to (c)(3)(A)1., or within 60 days of the remediation of the discrepancies found as the result of an onsite inspection or unannounced visit pursuant to (d), the Department shall provide written notice to the applicant or provider of one of the following:

(1) The applicant has been enrolled as a Medi-Cal provider, and a provider number has been assigned, or

(2) The provider has been approved for continued enrollment in the Medi-Cal program and is authorized to continue using the provider number(s) previously issued, or

(3) The application package of the applicant applying for enrollment or of the provider applying for continued enrollment is denied based on the criteria specified in subsection (a), or based on the applicant's or provider's failure to comply with the requirements specified in this Chapter or its governing statutes.

(f) Any notice by the Department of a denial of an application package shall specify the reason(s) for denial and the administrative remedies, if any, that may be pursued by the applicant or provider.

(g) An applicant may appeal a denial of an application package pursuant to Welfare and Institutions Code, Section 14043.65.

(h) A provider whose application for continued enrollment has been denied may appeal the application denial or temporary suspension or deactivation in accordance with Welfare and Institutions Code, Section 14043.65.

A provider whose application for continued enrollment has been denied shall, prior to any hearing, be subject to temporary suspension and deactivation of all provider numbers pursuant to Welfare and Institutions Code, Sections 14043.2, 14043.36, 14043.37 and 14043.7.

(i) If an application is denied pursuant to subsection (a)(8) above, the applicant or provider may not apply for enrollment as a provider in the Medi-Cal program for a period of three years from the date of the denial.

(j) If an application is denied pursuant to subsection (a)(7) above, the applicant or provider may not apply for enrollment as a provider in the Medi-Cal program for a period of ten years from the date of the denial.

NOTE: Authority cited: Sections 10725, 14000, 14043.65, 14043.75, 14124.5, 14131, 14132, and 14133, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Sections 14000, 14043.2, 14043.36, 14043.37, 14043.4, 14043.6, 14043.7, 14131, 14132, and 14133, Welfare and Institutions Code; 42, U.S.C., Sections 1320a3, 1320a7, 1396a(a)(38), 1396b(i)(2); and 42, Code of Federal Regulations, Part 455.

### **51000.55. Continuing Participation Requirements.**

(a) Upon written notification from the Department that enrollment for continued participation of all providers in a specific provider of service category, as identified in Section 51051 of Title 22, California Code of Regulations, or subgroups of such categories, will occur, providers in that category or subgroup shall respond to the Department within 35 days from the

date of the notification and shall declare to the Department in writing their intent to enroll for continued participation or to withdraw from continued participation in the Medi-Cal program. Subgroups of categories shall be identified by the Department at the time of notification when such identification is reasonably necessary to safeguard public funds, to protect the fiscal integrity of the Medi-Cal program, or to prevent harm to Medi-Cal beneficiaries.

(b) Within 180 days of receipt of a declaration of a provider's intent to enroll for continued participation in the Medi-Cal program, the Department shall mail an application, a disclosure statement, and a provider agreement to the provider for completion.

(c) A provider shall submit a completed application for continued participation in the Medi-Cal program not later than 70 calendar days from the date on the letter from the Department transmitting the application package to the provider. The Department shall review the completed application package within the time period established in Section 51000.50.

(d) Upon receipt of a declaration of a provider's intent to withdraw from participation in the Medi-Cal program, the Department shall immediately terminate the provider's continued enrollment in the Medi-Cal program and shall deactivate all provider numbers which will have been used by the provider to obtain reimbursement from the Medi-Cal program.

(e) Failure of a provider to respond within 35 days to the Department's written notice under subsection (a), or failure to submit the application within the time frame specified in subsection (c), shall result in immediate termination of the provider's continued enrollment in the Medi-Cal program or temporary deactivation of all provider numbers which have been used by the provider to obtain reimbursement from the Medi-Cal program pursuant to Welfare and Institutions Code, Section 14043.2. A provider may appeal the termination or the deactivation pursuant to this subsection in accordance with Welfare and Institutions Code, Section 14043.65.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Sections 14043.2 and 14043.75, Welfare and Institutions Code.

#### **51051. Provider.**

(a) "Provider" means any individual, partnership, provider group, association, corporation, institution, or entity, and the officers, directors, employees, or agents thereof, that provides services, goods, supplies, or merchandise, directly or indirectly, to a Medi-Cal beneficiary, that meets the Standards for Participation specified in Article 3 (commencing with Section 51200), and that has been enrolled in the Medi-Cal program.

(b) Providers include, but are not limited to:

- Acupuncturists
- Audiologists
- Blood Banks
- Child Health and Disability Prevention Providers
- Chiropractors
- Christian Science Facilities
- Christian Science Practitioners
- Clinical Laboratories or Laboratories
- Comprehensive Perinatal Providers
- Dental School Clinics
- Dentists
- Dispensing Opticians

Durable Medical Equipment and Medical Supply Providers  
Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Providers  
EPSDT Supplemental services Providers  
Fabricating Optical Laboratory  
Hearing Aid Dispensers  
Home Health Agencies  
Hospices  
Hospital Outpatient Departments  
Hospitals  
Intermediate Care Facilities  
Intermediate Care Facilities for the Developmentally Disabled  
Local Educational Agency Providers  
Nurse Anesthetists  
Nurse Midwives  
Nurse Practitioners  
Nursing Facilities  
Occupational Therapists  
Ocularists  
Optometrists  
Orthotists  
Organized Outpatient Clinics  
Outpatient Heroin Detoxification Providers  
Personal Care Service Providers  
Pharmacies/Pharmacists  
Physical Therapists  
Physicians  
Podiatrists  
Portable X-ray Services  
Prosthetists  
Providers of Medical Transportation  
Psychologists  
Rehabilitation Centers  
Renal Dialysis Centers and Community Hemodialysis Units  
Respiratory Care Practitioners  
Rural Health Clinics  
Short-Doyle Medi-Cal Providers  
Skilled Nursing Facilities  
Speech Therapists  
Supplemental EPSDT Providers  
Targeted Case Management Providers

**51200. Basic Requirement for Program Participation.**

(g) Medi-Cal provider applicants or providers shall meet and maintain compliance with the requirements of Section 51200.01.

NOTE: Authority cited: Sections 10725, 14105 and 14124.5, Welfare and Institutions Code; and Section 78, Chapter 146, Statutes of 1999.

Reference: Sections 14043.1, 14043.36, 14043.75, 14123 and 14132, Welfare and Institutions Code; Sections 101150-101160, Health and Safety Code; and Sections 1200-1327, Business and Professions Code.

#### **51200.01 Established Place of Business.**

(a) Every applicant or provider shall be required to demonstrate an established place of business appropriate and adequate for the services billed or claimed to the Medi-Cal program. "An established place of business" means a business address of the provider or applicant that meets all of the following criteria:

(1) has been open and conducting business at the time the application was submitted for participation in the Medi-Cal program;

(2) has sufficient capital for start up, and sufficient income to sustain a financially sound business. This criterion shall be shown by financial records including, but not limited to, bank statements, loan documents, promissory notes, invoices, accounts receivable, business tax records, and contractual agreements;

(3) is located in a building either owned by the applicant or provider, or the applicant or provider has obtained a signed lease agreement;

(4) has adequate stock to meet current and anticipated service requirements for its business;

(5) operates in compliance with Section 51000.30 (d);

(6) has Worker's Compensation insurance as required by state law;

(7) obtains and maintains Comprehensive Liability insurance coverage in an amount not less than \$100,000 per claim, with a minimum annual aggregate of not less than \$300,000, from an authorized insurer pursuant to Section 700 of the Insurance Code;

(8) obtains and maintains, for any individual licensed or certified pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code, the Osteopathic Initiative Act, or the Chiropractic Initiative Act, Professional Liability insurance coverage in an amount not less than \$100,000 per claim, with a minimum annual aggregate of not less than \$300,000, from an authorized insurer pursuant to Section 700 of the Insurance Code;

(9) has the necessary equipment, office supplies and facilities available to carry out its business, including storage and retrieval of all documentation as required by Section 51476; and,

(10) has the necessary service agreements to process cash and credit card transactions;

(11) has regular and permanently posted business hours;

(12) is visibly identifiable as a medical/healthcare provider or business, with permanently attached signage that identifies the name of the provider or business.

(b) If the applicant or provider intends to provide or currently provides durable medical equipment as defined in Section 51160, or is a medical device retailer as defined in Section 51251, or is a pharmacy as defined in Section 51106 and provides pharmaceutical services as defined in Section 51107, all criteria in subsection (a) above must be met, and the applicant or provider must additionally meet the following criteria:

(1) provides service to the general public on a walk-in basis during regular business hours (unless the explanation provided on application is acceptable to the Department);

(2) has adequate inventory either in stock on the premises, or in a warehouse under the applicant's or provider's direct control, to meet current and anticipated sales volume;

(c) The applicant or provider must have an established place of business at the time of any inspection by the Department. Failure to show an established place of business warrants denial of an application or shall make a provider subject to temporary suspension from the Medi-Cal

program, which shall include temporary deactivation of all provider numbers effective 15 days from the date of notice to the provider.

NOTE: Authority cited: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code; Section 700, Insurance Code.

Reference: Sections 10725, 14043.75 and 14124.5, Welfare and Institutions Code.

**51451. Inclusions, Exclusions and Suspensions.**

All individuals, partnerships, clinics, groups, associations, corporations or institutions meeting the requirements specified in the Definitions (Article 2 of Chapter 3 of these Regulations) and Standards for Participation (Article 3 of Chapter 3 of these Regulations) may participate in the California Medical Assistance Program except where such individuals, partnerships, clinics, groups, associations, corporations or institutions have been suspended or decertified by written order of the Director, or where an application for continuing enrollment has been denied.

NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code.

Reference: Section 14123, Welfare and Institutions Code.